



## United States Department of the Interior

### BUREAU OF LAND MANAGEMENT

Green River District  
Vernal Field Office  
170 South 500 East  
Vernal, UT 84078

<http://www.blm.gov/ut/st/en/fo/vernal.html>



IN REPLY REFER TO:  
3100 (LLUTG01100)

February 12, 2016

Board of Oil, Gas and Mining  
Attn: Ruland Gill, Chairman  
P.O. Box 145801  
Salt Lake City, UT 84114-5801

**FILED**

**FEB 12 2016**

**SECRETARY, BOARD OF  
OIL, GAS & MINING**

Re: Docket 2015-026, Cause No. 231-141

Dear Chairman Gill:

I wish to express my appreciation to the Board for allowing our office the additional time to further engage with the Bureau of Indian Affairs, Ute Tribe, Crescent Point Energy ("Petitioner"), and Division of Oil, Gas, and Mining as needed to formulate our position in regard to this matter. Subsequent to the January hearing, we are aware that the Petitioner met with the Ute Tribe, Energy and Minerals Department (Ute Tribe) to discuss this Docket matter. As a follow up to that meeting, representatives from the Bureau of Land Management Vernal Field Office (BLM), Bureau of Indian Affairs, and Ute Tribe met on February 9<sup>th</sup> to further discuss the matter. From that meeting we understood that the Tribe believes the proposed 40 acre spacing for vertical wells will reduce their opportunities to participate in vertical oil and gas well ventures in the area and had suggested to the Petitioner a spacing of 160 acres for vertical wells (allowing up to 4 wells per 160 acres), which the Petitioner was not in favor of.

In our own independent evaluation of the Petitioner's request, we have determined that most vertical wells in the area are unlikely to drain more than 40 acres. This determination was not only derived from the sworn testimony by the Petitioner before the Board in December 2015 and January 2016 and review of their exhibits presented, but also our own professional judgment gained through our work performed supporting the drainage and Indian diligence program in the Uinta Basin.

We recognize that our determination does not fully address the Ute Tribe's concerns with the development of vertical wells in the area. However, we believe this to be a permit timing and surface access issue, not a reservoir spacing issue. Consequently, we are now in a position where we can inform the Board that the BLM supports the Petitioner's request for Agency Action in the above referenced matter.

Should there be any questions regarding this letter, please contact me at (435) 781-4440.

Respectfully submitted this 12<sup>th</sup> day of February 2016.

Sincerely,



Jerry Kenczka

Assistant Field Manager for Lands and Minerals